

Business Opportunity

For a Medical Clinic at Bullfrog Basin
Glen Canyon National Recreation Area

Department of the Interior

National Park Service
Intermountain Region

Concession Contract: CC-GLCA021-15

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INTRODUCTION

The National Park Service (Service) intends to award a concession contract within Glen Canyon National Recreation Area (Area) to operate Bullfrog Medical Clinic. This Prospectus describes in general terms the existing and future business opportunities for the services required by the Service. Offerors are responsible for reviewing all sections of this Prospectus and, specifically, the terms and conditions of the Draft Concession Contract CC-GLCA021-15 (Draft Contract), including its exhibits, to determine the full scope of a future Concessioner's responsibilities under the Draft Contract.

The Service is conducting this solicitation in accordance with the National Park Service Concessions Management Improvement Act of 1998 (Public Law 105-391) as implemented by the Service in Title 36 of the Code of Federal Regulations (C.F.R.) Part 51. The term "Concessioner" as used in this Prospectus refers to the entity that will be the Concessioner under the Draft Contract. The term "Existing Concessioner" refers to Strata Medical, LLC. The Existing Contract and copies of 36 C.F.R. Part 51 and Public Law 105-391 are included as Appendices to this Prospectus. Further information about National Park Service Commercial Services, including links to relevant regulations, is available online at www.concessions.nps.gov. In the event of any inconsistency between the terms of this Prospectus and 36 C.F.R. Part 51, the latter will prevail. In the event of any inconsistency between the description of the terms contained in this Prospectus and the Draft Contract itself, the terms of the Draft Contract will prevail.

THE NATIONAL PARK SERVICE AND ITS MISSION

In 1916, President Woodrow Wilson approved legislation creating the Service within the Department of the Interior. That legislation stated that Congress created America's National Park Service to:

...conserve the scenery and the natural and historic objects and the wild life therein and to provide for the enjoyment of the same in such a manner and by such means as will leave them unimpaired for the enjoyment of future generations. (16 U.S.C. § 1)

Additionally, Congress declared that the National Park System should be:

...preserved and managed for the benefit and inspiration of all the people of the United States.... (16 U.S.C. § 1a-1)

The Service has as its overall mission the preservation and public enjoyment of significant aspects of the nation's natural and cultural heritage. To learn more about the Service, visit www.nps.gov. This site includes information about its mission, policies, and individual park units.

GLEN CANYON NATIONAL RECREATION AREA AND ITS MISSION

Encompassing over 1.2 million acres, the Area offers unparalleled opportunities for water-based and backcountry recreation. The Area stretches for hundreds of miles from Lees Ferry in Arizona to the Orange Cliffs of southern Utah, encompassing scenic vistas, geologic wonders, and a vast panorama of human history. The establishment of Glen Canyon National Recreation Area in 1972 outlined Congressional intent for the recreational use and preservation of the Area.

Visitors to the "uplake" (northern) locations of the Area will be the primary users of the services provided under the Draft Contract. Uplake locations include Bullfrog Basin (Bullfrog), Halls Crossing, and Hite, in Kane and San Juan Counties, Utah. These locations are accessible by road via Utah Highway 276 and are connected by a seasonally-operated ferry service between Bullfrog Marina and Halls Crossing through most of the year, as water level permits. (Exhibit 1)

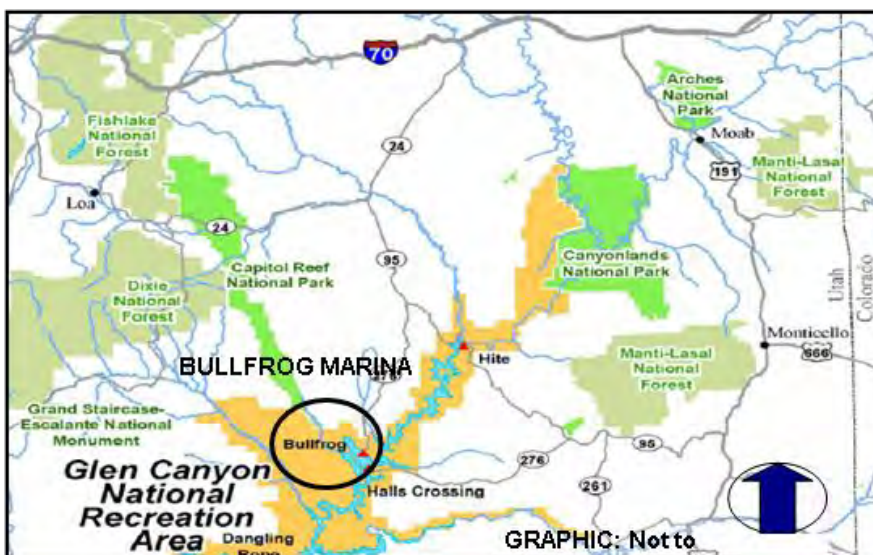
Most visitors to Bullfrog and Halls Crossing are from Utah and Colorado, and most are interested in boating and other water-based activities. Because public transportation is not available, most arrive in private vehicles and enter the Area through fee stations located within the Area's boundaries. Some arrive by air at the Bullfrog 3,500-foot airstrip maintained by the Service, or at the Cal-Black Airport located just outside the Area boundary at Halls Crossing.

Visitor services located uplake include public boat launch ramps, marina rental slips, dry boat storage, boat repair facilities, campgrounds, recreational vehicle parks, primitive camping areas, rental houseboats, small



rental boats, family housekeeping units, marina stores, gift shops, fuel for both land and water vehicles, picnic and day-use areas and visitor contact stations. Additional facilities at Bullfrog Basin are a lodge, service station, school for kindergarten through grade twelve, and a visitor center, which also houses administrative offices and the medical clinic. Approximately 650 people live in the uplake locations in the summer time and 250 people during the rest of the year, including concession and Service employees and their families. To learn more about Glen Canyon National Recreation Area, visit the website www.nps.gov/glca.

Exhibit 1 Geographic Area



Source: National Park Service

MARKET AREA OVERVIEW

Located on the Arizona and Utah border, Glen Canyon National Recreation Area is within a one-day drive from several major cities and other national park areas. While millions of people are within a short distance from many of the Area's recreation opportunities, medical care can be distant if emergency or illness occurs. For visitors to the downlake (southern) portion of the park, the nearest medical facilities are in Page, Arizona, approximately 10 miles (15-20 minutes), from the marinas and recreation areas. For visitors to the uplake (northern) portion of the park, including Bullfrog and Halls Crossing, the nearest medical facilities outside of the Area are up to three hours away (driving). (Exhibit 2)

Exhibit 2 Distance and Driving Time to Medical Care from Bullfrog Basin in Glen Canyon NRA

Location	Open hours	Approximate Miles*	Approximate Driving Time*
Wayne Community Medical Center, Bicknell, Utah	Mon-Fri 9-5; Sat 9-1; closed for lunch	124	2 hours, 30 minutes
Blanding Clinic, Blanding, Utah	Mon-Thurs, 9-5; Friday 9-2	93 (with ferry) 140 (no ferry)	2 hours, 16 minutes; 2 hours, 30 minutes
San Juan Hospital, Monticello, Utah	Emergency – 24/7	114 (with ferry) 160 (no ferry)	2 hours, 38 minutes; 3 hours
Castleview Hospital, Price, Utah	Emergency – 24/7	178	3 hours

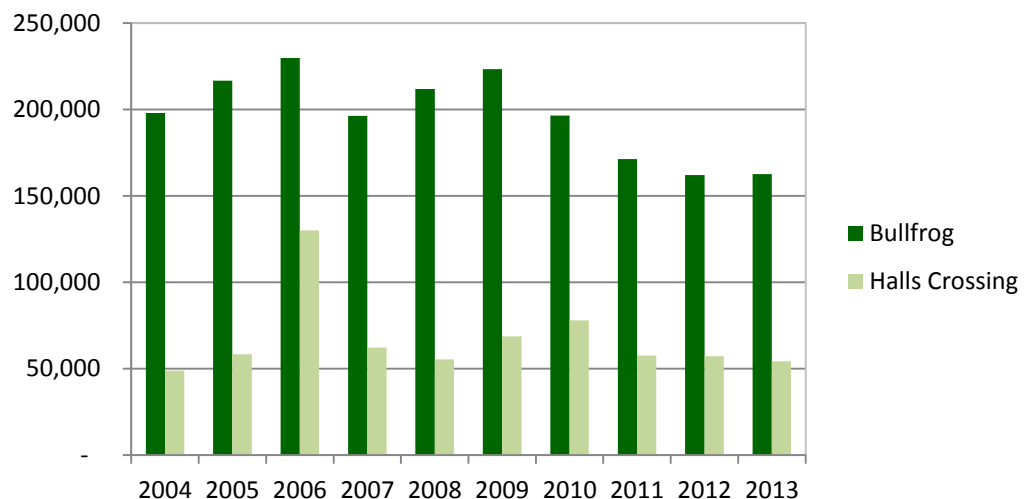
*Distances were measured from Bullfrog Marina. Source: Bing and Google Maps



GLEN CANYON NATIONAL RECREATION AREA VISITATION

Annual recreation visits to the Area for the past ten years has ranged from over 1.8 million visitors in 2004, to over 2.27 million visitors in 2011, with an average of about two million visitors per year. The majority of visitors spend time in the downlake portions of the Area. A little over ten percent of Area visitors recreate at Bullfrog Basin and about three percent at Halls Crossing. The graph in Exhibit 3 depicts annual visitation to these uplake, developed areas from 2004 through 2013. The lowest visitation at Bullfrog over this ten-year period occurred in 2012 with 161,969 visitors; the highest was in 2006 with 229,685 visitors. The lowest visitation at Halls Crossing during the past ten years occurred in 2004 with 58,274 visitors; the highest was in 2006 with 130,031 visitors. Hite, the northern most dock and boat ramps on Lake Powell, was not included because it has been closed since July 2004 due to low lake levels.

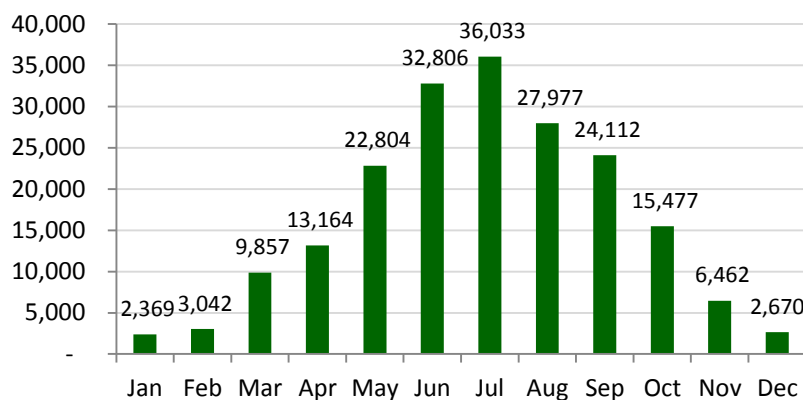
Exhibit 3 Bullfrog and Halls Crossing Annual Visitation 2004-2013



Source: National Park Service

Visitation to the Area is seasonal. Over 90% of the visitors tour the Area from March through October. Exhibit 4 presents average monthly visitation at Bullfrog Basin from 2004 through 2013.

Exhibit 4 Average Monthly Visitation at Bullfrog Basin, 2004-2013



Source: National Park Service



EXISTING OPERATING INFORMATION

Seasonal medical services at Bullfrog Medical Clinic have been offered via concession permit or contract since 1994. Services provided by the previous concessioners included general medical treatment and trauma treatment, such as emergency medical care, treatment for wounds and illness, x-ray and ancillary tests, and family practice, including immunizations and operation of a limited retail pharmacy. Employees of the Service or other agencies provide first response to the site of emergencies and, as appropriate, transport patients to the clinic to be stabilized or readied for air or road transport to a hospital. Clinic employees typically do not respond to the scene of an incident or accident. Day-to-day staff includes, but is not limited to, a Physician's Assistant or Nurse Practitioner, and a clerk.

The Existing Concessioner has operated under the Existing Concession Contract (CC-GLCA021-05) since 2005. The Concession Contract expires on December 31, 2014. The table in Exhibit 5 lists the required services and operating season as set forth in the Existing Contract and its Exhibits. There were no authorized services. A Physician's Assistant(s) and/or Nurse Practitioner(s) were required to perform services within the confines of the clinic, not in the field, unless another Physician's Assistant or Nurse Practitioner was covering clinic responsibilities. Historically, the clinic has provided emergency, urgent, and primary care to patients with or without appointments.

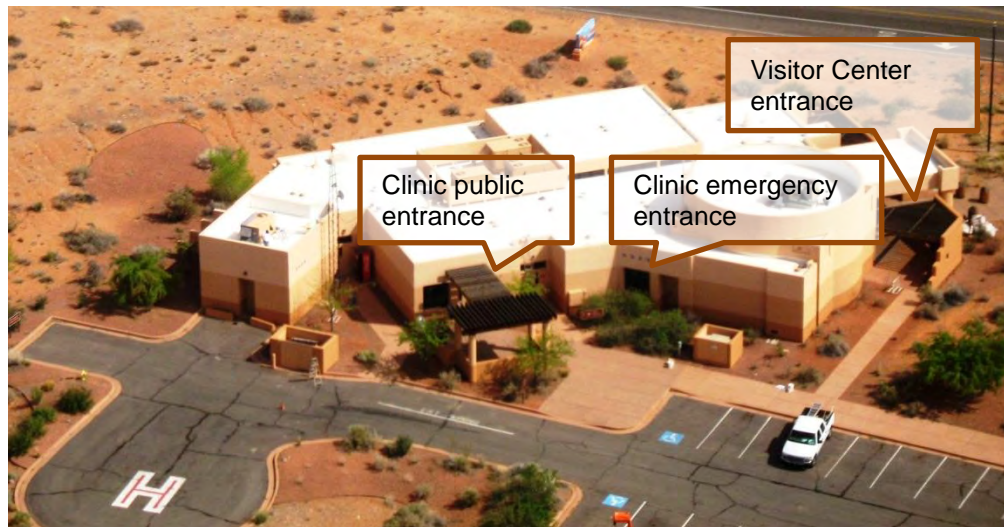
Exhibit 5 Existing Contract Required Concession Services

Required Services	Minimum Operating Season
General medical treatment, including trauma treatment (emergency medical care, treatment for wounds and illness, first-aid treatment, and CPR).	Beginning of May through mid-October hours of operation will be from 9:30 a.m. to 6:00 p.m., seven days a week. Mid-October through beginning of May – CLOSED
Authorized Services	
None	

Source: National Park Service

The Service assigned the Concessioner approximately 1,466 square feet of the government-owned Bullfrog Visitor Center for the medical clinic. It is comprised of three examination rooms, waiting and reception room, observation room, lab, medication room, bathroom, and linen room as shown in the Draft Contract, Exhibit C, *Assigned Land, Real Property Improvements*. Visitors enter through a public entrance into the reception area or through emergency doors when accompanied by first-response personnel. A helipad, maintained by the Service, is located just outside the clinic entrance. The Concessioner is also assigned a three-bedroom residence for employee housing about a mile from the clinic.





Bullfrog Visitor Center and Clinic. NPS photo

FINANCIAL AND OPERATING DATA

The Proposal Package requires Offerors to develop financial projections based on the services required under the Draft Contract. In order to assist Offerors in the development of these projections, historical information is provided regarding gross revenue (Exhibit 6), services provided (Exhibit 7), housing rent, estimated utility costs (Exhibits 8), and estimated initial investment (Exhibit 10). Offerors should be appropriately cautious in the use of historical information.

Exhibit 6 Historical Annual Gross Receipts, 2011-2013

2011	2012	2013
\$ 170,367	\$ 152,841	\$ 169,815

Source: National Park Service Annual Financial Reports

Exhibit 7 provides historical data for annual patient and service volume. The terms used in the table below are defined as follows. Days Clinic Open and Nights On Call are when clinic personnel are available at the Clinic or are On Call for after-hours call outs. Patients are the total number of people served by the Clinic. Call outs are when clinic personnel respond to calls from Area Emergency Services Personnel outside of regular clinic hours. Evacuations are the number of patients that were transported to a hospital by helicopter, airplane, or ambulance following care by clinic staff. POV (Personally Owned Vehicle) Transportation means a patient self-transport or is driven in a private vehicle by a family member or companion.

Exhibit 7 Historical Annual Services Provided, 2011-2013

	2011	2012	2013
Days Clinic Open	192.5	189	181
Nights On Call	185	183	179
Patients	1,050	1,126	974
Call outs	93	74	79
Evacuations	36	20	25
POV Transportation	16	10	18

Source: National Park Service



UTILITIES AND HOUSING RENT

The Service will provide the Concessioner for a fee with water, sewer, electric, and propane services for the clinic site and housing unit. The Service will charge the Concessioner utility rates in compliance with NPS Directors Order 35B. In addition to utilities, the Service will bill the Concessioner monthly for the rent of a residence located within the Service housing area. The housing rate in 2013 was \$462.64 per month. The Concessioner is responsible for maintaining the landscape immediately adjacent to the assigned residence, including yard maintenance, such as weed removal, and keeping the area clean and free of litter.

Historically, the Concessioner's average combined utility costs have been about \$3,000 yearly. While utility rates may change annually, Exhibit 8 provides Fiscal Year 2014 rates at Bullfrog Basin. Note that the Concessioner must arrange and pay for telephone and internet service separately.

Exhibit 8 Bullfrog Basin Estimated Utility Rates, FY2014

	Rate	Per unit
Water/Sewage	\$ 2.85	1,000 gallons
Electric	\$ 0.49	kilowatt hour (KWH)
Propane	\$ 2.38	gallon

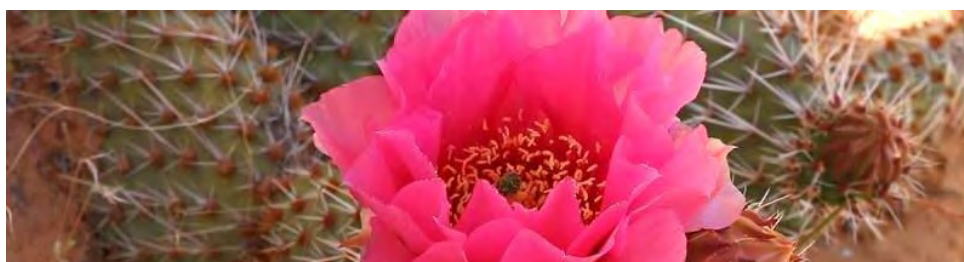
Source: National Park Service

The Service will collect non-hazardous and non-medical garbage and recyclables, including paper, plastic, cardboard, and aluminum. The Concessioner will be required to provide proper disposal of all medical wastes.

In its assigned real properties, the Concessioner will be responsible for minor repairs, such as changing light bulbs and cleaning. Please see the Operating and Maintenance Plans for more information.

CURRENT APPROVED RATES FOR REQUIRED SERVICES

Bullfrog Medical Clinic is different from most concession operations. The operating and financial structure of a medical facility is complex. While most concession operations depend on a two-party payment system, such as a guest pays the Concessioner for a night in lodging, a medical facility often has another payer – an insurance company or government program. Gross billings (revenues) are rarely a reflection of the revenues ultimately collected by the facility. Insurance companies have contractual agreements with medical providers that stipulate that the insurance company will only pay a provider some fraction of the original billed amount. It is the objective of the Service to ensure that the Concessioner's rates and charges to the public are commensurate with the level of services and facilities provided, and are reasonable, justified, and comparable with similar facilities and services provided by the private sector. Reasonableness of rates will be judged based upon the *Concession Management Rate Approval Guide, 2010*. (See Appendices) The currently approved rate method is competitive market declaration for all services. Rate approval methods are subject to change.



Lovely and Hazardous Prickly Pear Cactus at GLCA. NPS Photo



FUTURE OPERATIONS

Exhibit 9 lists the required and authorized services for the Draft Contract. The required services in the Draft Contract are the same as those required under the Existing Contract and its Exhibits. However, the description of the required services has been modified to provide examples of the types of medical services that must be offered by the clinic; to identify the on-call services as a separate required service; and to authorize clinic operations beyond the minimum operating season. As with the Existing Contract, the Service will not require clinic employees to respond to emergencies in the field and will only permit such response when a Physician, Physician's Assistant, or Nurse Practitioner is covering clinic responsibilities.

Exhibit 9 Draft Contract Required and Authorized Services

Required Services	Minimum Operating Season
Medical Clinic at Bullfrog Basin (At minimum, outpatient treatment of illness, injury, or condition, with or without an appointment; including x-ray, suturing, and casting; cardio-pulmonary resuscitation (CPR); automated external defibrillation (AED); ancillary testing; and limited retail pharmacy for clinic patients only)	The Clinic will be open continuously from 9:30 a.m. to 6:00 p.m., seven days a week, from May 1 through October 31 (Season). A Physician, Physician's Assistant, Nurse Practitioner, or other similarly qualified medical professional must be in the Bullfrog area and able to provide service whenever the clinic is open. November 1-April 30 (off-season) - CLOSED
On-Call Emergency Service	During the Season, between the times of 6:01 p.m. and 9:29 a.m., a Physician, Physician's Assistant, Nurse Practitioner, or other similarly qualified medical professional will be on-call in the Bullfrog area, ready and able to provide emergency medical service at the clinic if and when called by Area Emergency Services Personnel.
Authorized Services	
Medical Clinic at Bullfrog Basin (At minimum, outpatient treatment of illness, injury, or condition, with or without an appointment; including x-ray, suturing, and casting; cardio-pulmonary resuscitation (CPR); automated external defibrillation (AED); ancillary testing; and limited retail pharmacy for clinic patients only)	The clinic may be open during the off-season, on a schedule approved by the Service. A Physician, Physician's Assistant, or Nurse Practitioner, or other similarly qualified medical professional must be in the Bullfrog area and able to provide service whenever the clinic is open.
On-Call Emergency Service	During the off-season, on a schedule approved by the Service, a Physician, Physician's Assistant, Nurse Practitioner, or other similarly qualified medical professional may be on-call in the Bullfrog area, ready and able to provide emergency medical service at the clinic if and when called by Area Emergency Services Personnel.

Source: National Park Service



INVESTMENT ANALYSIS

START-UP EXPENSES

Prior to and just following the effective date of the Draft Contract, the new Concessioner will need to make an initial investment for the start-up of operations. This initial investment will cover the costs associated with start-up activities, including but not limited to staff recruitment, training, computer/internet/telephone set-up, legal and administrative support services, marketing and advertising beyond normal annual expenditures, and operating supplies. The Service estimated the start-up costs for a new Concessioner will be, at a minimum, \$105,500. (Exhibit 10) Offerors should not rely on Service estimates in preparing and submitting proposals in response to this Prospectus, and should develop their own determination of necessary start-up expenses.

The Concessioner will be responsible for providing its own furniture, medical equipment, supplies, and pharmaceuticals used during the operation of the clinic. The Concessioner may be able to purchase the existing Concessioner's personal property that is currently located at the clinic.

Exhibit 10 Estimated Initial Investment, 2013 dollars

Item	Estimated Value
Personal Property (such as computer system, office and exam room furniture, and medical equipment)	\$70,500
Start-up expenses	\$10,000
Inventory/Working Capital	\$25,000
Total	\$105,500

Source: National Park Service

The Service will not provide financial predictions; therefore, Offerors are responsible for producing their own Pro Forma financial projections and relying upon their own financial predictions. Offerors should read the entire Prospectus carefully, including the Draft Contract and all its Exhibits, as some requirements from the Existing Contract may have changed; specifically, note the minimum insurance requirement levels outlined in Exhibit F, Insurance Requirements.

LEASEHOLD SURRENDER INTEREST

Leasehold Surrender Interest is a compensable interest in real property and real property improvements. The Existing Concessioner has no Leasehold Surrender Interest in Concession Facilities and there will be no Leasehold Surrender Interest in the new Contract.

PERSONAL PROPERTY AND INVENTORY USED IN EXISTING CONCESSION OPERATIONS

The Existing Contract does not require the Existing Concessioner to sell personal property, merchandise (inventory), or supplies used in the operation to the new Concessioner; however, a new operator will be required to provide such equipment, personal property, and inventory necessary for the proper and efficient operation of the Contract requirements.

PREFERRED OFFEROR DETERMINATION

The Service, pursuant to the terms of 36 C.F.R. Part 51, has determined the existing Concessioner is a qualified contract and, therefore the Existing Concessioner, Strata Medical, LLC, is a Preferred Offeror for the new Contract. The Existing Concessioner must submit a responsive proposal to this Prospectus to be



considered for award of the Contract. If the Existing Concessioner submits a responsive proposal and that proposal is not selected as the best proposal, the Preferred Offeror designation allows the Existing Concessioner the opportunity to match the terms of the best offer and be awarded the Contract.

FRANCHISE FEES

The minimum franchise fee will be equal to zero percent (0%) of the Concessioner's annual gross receipts for the term of the Draft Contract. However, Offerors may propose a higher minimum franchise fee, as described more fully in the Proposal Package (included in Tab 3 of this Prospectus).

SITE VISIT

A one-day site visit will occur on the date listed on the front page of this Prospectus. At that time, the Service will provide an overview of the Area, the required services, and a tour of the Concession Facilities associated with this Draft Contract. Reservations for the site visit must be made at least two days in advance of the date listed. For more information and to make a reservation to attend, please contact:

Chief of Business Management
Glen Canyon National Recreation Area
P.O. Box 1507
Page, Arizona 86040
Telephone: (928) 608-6323

TERM AND EFFECTIVE DATE OF DRAFT CONTRACT

The term of the Draft Contract will be for ten (10) years with an estimated beginning date of January 1, 2015. The effective date of the Draft Contract is subject to change prior to award if determined necessary by the Service. In such an event, the expiration date of the Draft Contract will be changed to continue the same term length from any adjustment to the effective date.

